

**INCLUDED IN THIS ISSUE - SEPTEMBER 26, 2005**

Crop Weather      Cattle on Feed      Livestock Outlook

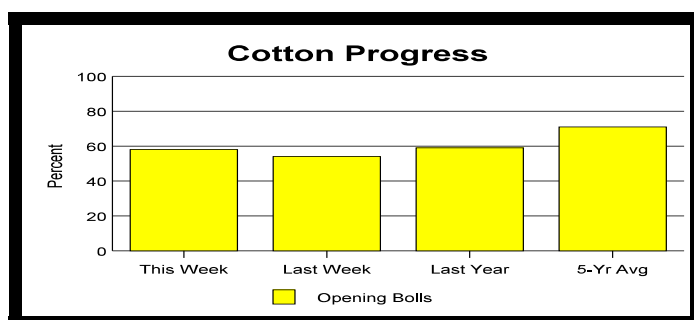
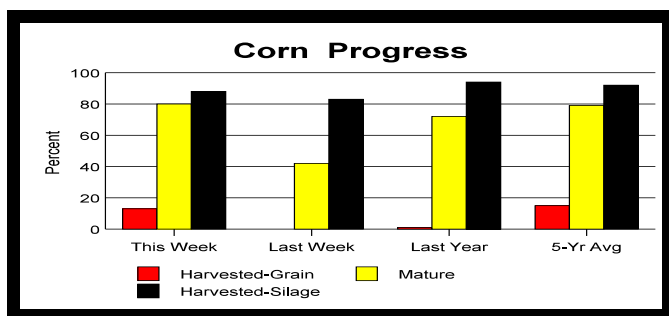
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**CROP SUMMARY FOR THE WEEK ENDING SEPTEMBER 25, 2005**

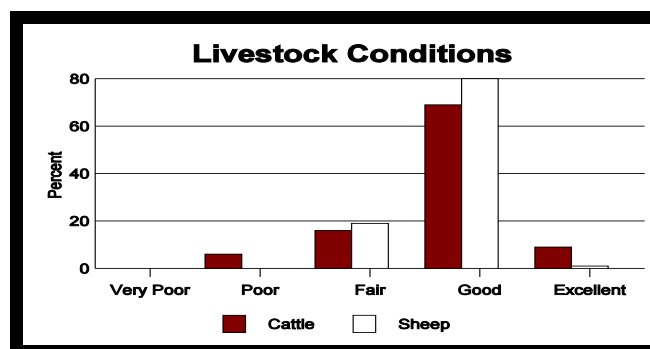
**NEW MEXICO:** There were 7 days suitable for field work. Topsoil moisture was 11% very short, 51% short, 36 % adequate and 2% surplus. Wind damage was 13% light, 16% moderate, and 1% severe. Farmers spent the week harvesting and irrigating their crops. Alfalfa was reported as mostly fair to good condition. The 5<sup>th</sup> cutting was 84% complete, the 6<sup>th</sup> was 33% complete, and a few farmers have started on their 7<sup>th</sup> cutting with 4% complete. Cotton was reported as mostly fair to good with 58% of the cotton bolls opening. Corn was in fair to excellent condition with 80% of the crop mature and 13% of the grain harvested. Corn for silage was 88% harvested. Sorghum was in mostly fair to good condition with 52% coloring and 11% mature. Winter wheat was in mostly fair to good condition based on the half of the crop that had already emerged with 90% planted and 50% emerged. Peanuts were reported as fair to excellent and 7% has been harvested. Chile was listed as mostly fair to good. The green chile harvest was 85% complete and the red harvest was just starting. Both lettuce and pecans were in fair to excellent condition. Pumpkins were in mostly good condition. Ranchers spent the week culling herds and marketing calves. Many areas were supplementing feed and hauling water. Cattle were listed as 6% poor, 16% fair, 69% good, and 9% excellent. Sheep were 19% fair, 80% good, and 1% excellent. Range and pasture conditions were 16% poor, 38% fair, 42% good, and 4% excellent.

**CROP PROGRESS PERCENTAGES WITH COMPARISONS**

CROP PROGRESS		This Week	Last Week	Last Year	5-Year Average
APPLES	Harvested	75	38	50	49
CHILE	Harvested-Green	85	80	93	88
CORN	Harvested-Grain	13	N/A	1	15
CORN	Mature	80	42	72	79
CORN	Harvested-Silage	88	83	94	92
COTTON	Opening Bolls	58	54	59	71
PEANUTS	Harvested	7	N/A	4	10
SORGHUM	Mature	11	9	6	14
SORGHUM	Coloring	52	45	59	70
WHEAT	Emerged	50	N/A	65	47

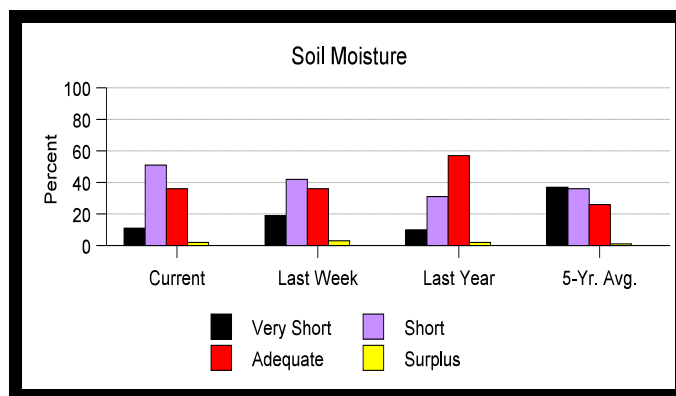

**CROP AND LIVESTOCK CONDITION PERCENTAGES**

	Very Poor	Poor	Fair	Good	Excellent
Alfalfa	--	--	47	35	18
Apples	20	20	40	20	--
Chile	--	7	23	57	13
Corn	--	--	17	72	11
Cotton	--	2	41	36	21
Lettuce	--	--	10	35	55
Peanuts	--	--	20	77	3
Pecan	--	--	17	31	52
Sorghum (All)	--	15	43	41	1
Cattle	--	6	16	69	9
Sheep	--	--	19	80	1
Range/Pasture	--	16	38	42	4
Wheat (All)	--	12	34	51	3



# SOIL MOISTURE PERCENTAGES

	Very Short	Short	Adequate	Surplus
Northwest	28	42	30	--
Northeast	1	58	41	--
Southwest	35	65	--	--
Southeast	--	37	56	7
State Current	11	51	36	2
State-Last Week	19	42	36	3
State-Last Year	10	31	57	2
State-5-Yr Avg.	37	36	26	1



## WEATHER SUMMARY

Warmer than normal weather was reported for most stations this week with temperatures 2 to 7 degrees above seasonal averages. A high level moisture plume moved over the state during the second half of the week yielding only widely scattered measurable amounts. Rangelands west of Socorro and southeast of Moriarty saw the best of the isolated rains with amounts up to one half inch based on radar estimates.

### NEW MEXICO WEATHER CONDITIONS - SEPTEMBER 19 - 25, 2005

Station	Temperature			Precipitation				
	Mean	Maximum	Minimum	09/19 09/25	09/01 09/25	Normal Sep	01/01 09/25	Normal Jan-Sep
Farmington	69.3	86	42	0.01	0.16	0.97	7.30	6.33
Gallup	65.9	83	42	0.00	0.87	1.31	11.24	9.67
Capulin	62.3	83	40	0.20	3.05	2.22	16.28	15.30
Chama	57.6	81	33	0.01	1.63	2.23	24.67	16.13
Johnson Ranch	62.5	88	36	0.32	0.66	1.33	7.28	9.05
Las Vegas	66.3	85	48	0.01	0.94	2.40	14.26	16.27
Los Alamos	64.2	81	49	0.37	0.98	2.12	17.65	15.30
Raton	64.1	86	41	0.25	1.55	1.61	15.37	14.64
Red River	53.9	76	30	0.06	0.74	1.66	19.83	16.69
Santa Fe	67.9	88	46	0.05	1.02	1.51	10.56	11.54
Clayton	70.6	89	51	0.00	1.43	1.77	14.40	13.38
Clovis	76.0	96	56	0.00	0.79	2.16	15.28	14.90
Roy	68.1	86	48	0.05	1.09	1.90	17.33	13.74
Tucumcari	76.1	97	57	0.24	3.17	1.47	17.06	12.45
Grants	65.1	88	39	0.00	0.76	1.56	6.94	8.51
Quemado	63.1	86	40	0.00	1.76	1.73	12.19	11.41
Albuquerque	74.3	90	58	0.00	1.27	1.00	8.73	7.06
Carrizozo	71.9	92	49	0.00	1.90	1.88	13.16	10.12
Socorro	71.4	91	48	0.09	0.38	1.53	6.84	7.37
Gran Quivera	69.6	87	49	0.39	2.78	1.95	14.59	12.74
Moriarty	65.1	89	42	0.05	0.55	1.61	8.62	10.67
Ruidoso	63.3	83	39	0.00	0.93	2.50	15.80	17.53
Carlsbad	78.6	102	57	0.00	0.55	2.75	8.56	10.74
Roswell	74.5	96	54	0.00	0.85	1.87	10.91	10.64
Tatum	73.6	96	52	0.00	0.04	2.36	10.09	13.53
Alamogordo	80.5	95	65	0.00	0.29	1.99	10.60	9.91
Animas	77.2	94	60	0.13	1.40	1.68	9.00	8.76
Deming	77.5	97	56	0.00	0.17	1.63	5.98	8.11
Las Cruces	78.4	96	60	0.02	3.11	1.36	9.51	7.28
T or C	77.4	94	61	0.00	2.61	1.08	10.48	7.67

(T) Trace (-) No Report (\*) Correction

All reports based on preliminary data. Precipitation data corrected monthly from official observation forms.

## CATTLE ON FEED

**NEW MEXICO:** Cattle and calves on feed for the slaughter market in New Mexico feedlots with capacity of 1,000 or more head totaled 135,000 head on September 1<sup>st</sup>, 2005. This was 1,000 head higher than last month and 6,000 head more than last year. Placements were up 5,000 head to 28,000. Marketings increased during August to 24,000 head compared to 18,000 in July. Other disappearance held at 3,000 head.

**UNITED STATES:** Cattle and calves on feed for slaughter market in the United States for feedlots with capacity of 1,000 or more head totaled 10.0 million head on September 1, 2005. Placements in feedlots during August totaled 1.99 million, 5 percent below 2004 and 16 percent below 2003. This is the lowest placements for the month of August since the series began in 1996. Net placements were 1.94 million. During August, placements of cattle and calves weighing less than 600 pounds were 418,000, 600-699 pounds were 385,000, 700-799 pounds were 540,000, and 800 pounds and greater were 650,000. Marketings of fed cattle during August totaled 2.03 million, 6 percent above 2004 but 2 percent below 2003. Other disappearance totaled 53,000 during August, 5 percent below 2004 and 12 percent below 2003.

**Cattle on Feed: Number on Feed, Placements, Marketings, and Other Disappearance, 1,000+ Capacity Feedlots <sup>1/</sup>**

	Number on Feed			Placed			Marketed			Other Disappearance <sup>2/</sup>		
	9/1/04	8/1/05	9/1/05	-----DURING-----								
				8/04	7/05	8/05	8/04	7/05	8/05	8/04	7/05	8/05
	-----1,000 Head-----											
AZ	296	313	314	30	29	35	26	37	33	2	1	1
CA	520	530	530	63	72	62	59	59	57	4	3	5
CO	930	820	770	205	125	155	150	200	200	5	5	5
ID	245	250	250	58	36	51	47	45	50	1	1	2
IA	375	400	395	62	49	69	66	63	72	1	1	2
KS	2,130	2,190	2,210	520	480	520	495	470	490	15	20	10
NE	1,800	1,730	1,770	420	325	415	360	405	365	10	10	10
<b>NM</b>	<b>129</b>	<b>134</b>	<b>135</b>	<b>23</b>	<b>23</b>	<b>28</b>	<b>19</b>	<b>18</b>	<b>24</b>	<b>2</b>	<b>3</b>	<b>3</b>
OK	325	320	320	76	62	70	64	61	68	2	1	2
SD	138	143	132	25	15	24	43	30	34	1	3	1
TX	2,670	2,890	2,800	530	400	480	520	450	560	10	10	10
WA	175	137	139	36	26	30	25	30	27	1	1	1
Oth Sts	255	235	235	54	36	54	52	50	52	2	1	2
<b>US</b>	<b>9,988</b>	<b>10,092</b>	<b>10,000</b>	<b>2,102</b>	<b>1,678</b>	<b>1,993</b>	<b>1,926</b>	<b>1,918</b>	<b>2,032</b>	<b>56</b>	<b>60</b>	<b>53</b>

<sup>1/</sup> Cattle and calves on feed are animals for slaughter market being fed a ration of grain or other concentrates and are expected to produce a carcass that will grade select or better. <sup>2/</sup> Includes death losses, movement from feedlots to pastures, and shipments to other feedlots for further feeding.

## LIVESTOCK OUTLOOK

September 16, 2005

Economic Research Service, USDA

**Cattle/Beef Prices Decline but Remain Resilient As Supplies Increase:** Demand for high quality beef remains strong, and supplies of beef grading Choice or higher continue relatively tight. The Choice/Select boxed beef price spread was averaging \$11 to \$12 per cwt in mid-September, up from \$4 in September 2004. Third-quarter beef production is expected to increase about 5 percent over third quarter 2004 and 8 percent above second-quarter 2005 due to increased fed cattle slaughter and heavier slaughter weights. Canadian cattle under 30 months of age began coming into the United States in mid-July and are also adding to production. Steers and heifers for immediate slaughter rose to 12,408 the week ending September 3. In 2004, production increased less than 2 percent from the second to the third quarter. Heavy slaughter weights and larger numbers of cattle on feed over 120 days typically suggest overweight cattle and problems. However, the market increasingly appears to be demanding more consistent, higher quality beef. The number of cattle on feed on August 1, in feedlots with over 1,000 head of capacity, was 2 percent larger than a year earlier, remaining well above a year earlier. In addition, the number of cattle on feed more than 120 days continues large. However, the proportion of cattle grading Choice or better in August was below year-earlier levels, and, given the Choice price premium over Select, is below market demand. However, slaughter weights and beef supplies have been rising since early spring; and fed cattle, boxed beef, and retail beef prices have been declining to buy back market share and move the additional supplies.

Retail prices for Choice beef peaked in April-May at \$4.26 a pound and have declined this summer to move the seasonally larger quantity of beef. Retail prices have declined since May and in July and August averaged \$3.99 a pound, down from \$4.11 a year ago, but up from \$3.74 in August 2003. Per capita consumption this summer is

expected to rise to near 18 pounds, up from 16.9 pounds the past 2 years. The market continues to move toward equilibrium, but also is demanding a higher quality product. Although Hurricane Katrina has been very disruptive to petroleum markets, nationally, the major consumer concern is that an already tight petroleum situation worsens and forces prices even higher. One of the major issues is the impact, along with rising interest expenses, on consumer expenditures, particularly with the winter home heating season approaching.

**Stocker Cattle Prices Remain Strong:** Prices for stocker/feeder cattle remain strong as supplies tighten cyclically. However, prices for lighter weight stocker cattle have remained unusually strong even as feedlot margins moved into the loss column this summer. Margins were positive this past spring, but turned negative this summer, and prospects remain negative this fall. Feed costs remain favorable, with the latest *Crop Production* report indicating a 289-million-bushel increase in the corn crop from the August estimate, to 10.639 billion bushels. The corn price estimate range for 2005/2006 has been lowered 10 cents to \$1.70 to \$2.10 a bushel, down from \$2.06 last year and \$2.42 2 years ago. Higher stocker/feeder cattle prices and favorable feed costs have encouraged cattle feeders to put more weight on cattle, and the additional premium on Choice cattle makes more days on feed even more attractive.

Lighter-weight stocker cattle prices have remained very strong as moisture conditions have improved in most areas, raising the outlook for cow-calf-yearling winter-grazing options. In addition, recent rains in the High Plains winter wheat grazing regions of Kansas, Oklahoma and Texas improved the prospects for wheat grazing and increased the demand for lighter-weight stocker cattle.